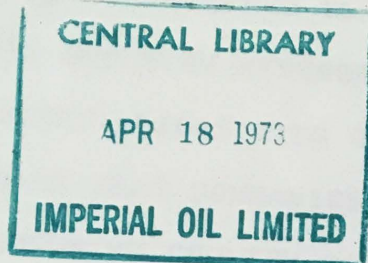


The following was received this morning, April 16, 1973 from Exxon Corporation, New York.

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WE ARE FORWARDING THE FOLLOWING INFORMATION FOR INTERNAL USE  
OF AFFILIATE MANAGEMENT OPEC NEGOTIATIONS THE FIRST MEETING BETWEEN  
THE REPRESENTATIVES OF OIL COMPANIES AND OPEC STATES IN RESPONSE TO  
OPEC'S REQUEST TO QUOTE NEGOTIATE AND AMEND GENEVA AGREEMENT WITH  
A VIEW TO OBTAINING FULL COMPENSATION AS A RESULT OF DEVALUATION OF  
THE US DOLLAR UNQUOTE WHICH WAS SCHEDULED TO TAKE PLACE IN BEIRUT  
ON APRIL TWELVE WAS POSTPONED DUE TO THE UNFORESEEN EVENTS IN  
LEBANON STOP THE NEW DATE AND LOCATION AGREED UPON FOR THE TALKS  
WERE APRIL THIRTEEN IN CAIRO  
IRAN NEGOTIATIONS BETWEEN THE CONSORTIUM MEMBERS AND THE NATIONAL  
IRANIAN OIL CO REGARDING THE NEW ARRANGEMENT ON OIL OPERATIONS  
WHICH HAD BEEN HELD IN TEHRAN WERE RECESSED FOR A COUPLE OF WEEKS.  
LIBYA DISCUSSION BETWEEN OASIS AND THE GOVERNMENT OF LIBYA  
REGARDING PARTICIPATION IS AT THE MOMENT SUSPENDED DUE TO THE  
APPOINTMENT OF MR. IZZIDIN MABROUK OIL MINISTER TO HEAD THE OPEC  
DELEGATION TO DISCUSS THE GENEVA AGREEMENT AND SUBSEQUENT DEPARTURE  
TO CAIRO STOP NEGOTIATIONS ARE NOT EXPECTED TO RESUME  
UNTIL THE PARITY ISSUE IS SETTLED.



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THE THREE ITEMS WHICH FOLLOW ARE FORWARDED FOR INTERNAL COMPANY

INFORMATION AND USE IN ANY RESPONSE BY DESIGNATED AFFILIATES

TO CONSUMING GOVERNMENTS QUERIES ON THE PARTY SITUATION. INFORMATION

IS NOT TO BE VOLUNTEERED TO GOVERNMENTS OR COMMUNICATED TO PRESS.

AAA APPROVED INDUSTRY MESSAGE FOR CONSUMING COUNTRY GOVERNMENTS:

QUOTE RE NEGOTIATIONS WITH OPEC ON DEVALUATION, THERE HAVE BEEN

PRESS REPORTS THAT COMPANIES HAVE MADE NEW PROPOSALS TO OPEC

STOP IF CONSUMING COUNTRY GOVERNMENTS FOR WHICH INDIVIDUAL COMPANIES

ARE RESPONSIBLE SHOULD INQUIRE ABOUT SUCH REPORTS PLEASE ASSURE

THEM THAT OIL COMPANIES SENT LETTER TO OPEC WHICH REPEATED

CONSTRUCTIVE PROPOSALS MADE ORALLY IN EARLIER DISCUSSIONS AND

EXPRESSED WILLINGNESS TO CONTINUE DISCUSSIONS. THE PROPOSAL

IS THE SAME ONE AS THAT REPORTED EARLIER TO THE CONSUMING

COUNTRIES STOP THIS INFORMATION SHOULD NOT RPT NOT BE VOLUNTEERED

TO CONSUMING GOVERNMENTS BUT SHOULD BE PROVIDED ONLY IN RESPONSE

TO GOVERNMENT INQUIRIES STOP THIS IS NOT RPT NOT FOR

DISCLOSURE TO PRESS. UNQUOTE BEB FOR YOUR ADDITIONAL INFORMATION

ESSO MIDDLE EAST FEELS THE DESCRIPTION OF THE COMPANIES' OFFER

TO OPEC NEEDS TO BE AMPLIFIED. IN ADDITION TO THE SPECIFIC

PROPOSALS MADE BY THE COMPANIES AND DESCRIBED IN THE PAPER

TRANSMITTED TO YOU ON APRIL TWENTY-SEVEN, THE COMPANIES ALSO

INDICATED AT THAT TIME THEIR WILLINGNESS TO CONSIDER AMENDING

THE PARITY ESCALATION FORMULA SO AS TO INCLUDE THE EFFECT OF THE

TEHRAN ANNUAL POSTED PRICE ESCALATIONS IN CALCULATING THE PARITY

ADJUSTMENTS. THE COMPANIES SUBSEQUENTLY ADVISED THE OPEC

REPRESENTATIVES THAT THIS WOULD INCREASE THE POSTED PRICES

AT THE PRESENT TIME BY A FURTHER 0.6 PERCENT OF THE PREGENEVA

POSTED PRICE MAKING THE TOTAL INCREASE ABOUT 7.7PERCENT ABOVE

THE POSTED PRICES PREVAILING IN JANUARY-MARCH 1973. CCC NEGOTIATIONS

RESUMED IN TRIPOLI, LIBYA THIS WEEK BUT WE HAVE NOT RECEIVED

ANY REPORT ON THE TALKS FROM THE TEAM

CENTRAL LIBRARY

MAY 17 1973

IMPERIAL OIL LIMITED